

# CHAIRMAN'S REPORT

February 1987-September 1988

Since my last report the Dublin Grand Opera Society Company has experienced many difficulties and changes. Once again we have come across the ever-increasing cost of producing opera both in production and administration. While our subvention from the Arts Council has been increased, the actual grant for production is less than in 1985. This situation cannot continue and we have applied for a substantial grant from the National Lottery and we anxiously await their decision. Failing a positive response we intend launching a nationwide fund-raising appeal so that we may continue and indeed expand our activities.

During the period of this report we have had three opera seasons and I am pleased to advise that attendances averaged over 80%. This was most encouraging and shows that support for opera in Dublin has not decreased. The Arts Council has shown their faith in us by their continued support, and we hope, with an increased grant in 1989.

As reported we moved our headquarters to Thomas Prior House. Unfortunately, this did not turn out as expected and we again moved house to John Player Theatre. This is proving very satisfactory both from a rehearsal aspect and administration.

It was with regret we were compelled to cancel our proposed Winter Season due to the financial state of the company. However we are planning an extended Spring Season of four operas over three weeks. We are also holding a Verdi concert in the National Concert Hall featuring Licinio Montefusco and Walter Donati on December 11th, 1988.

Without continuous fund-raising we cannot survive and in this respect we are again indebted to our Ladies Committee. Their bi-annual opera suppers are major events in our calendar both from a social aspect and in generating much-needed revenue. The ladies also arranged two tennis tournaments which brought in over £7,000 in the past two years. Other fund-raising events were an antique auction and the opera ball. Both events were very successful and enjoyable. Thank you ladies, and the various sub-committees who organised these events. May I say thank you also to our Administrator David Collopy who is the 'centre pin' of all our activities and is also most helpful and dedicated.

Our Artistic Director Michael McCaffery has prepared a proposed programme for the future development of the D.G.O.S. which is being studied at the moment and details should be available at the A.G.M.

Once again the Support Group under the chairmanship of John Lepere has continued to give excellent financial support and without this support we could not stay in business.

Finally our sincere thanks are extended to our chorus. We genuinely appreciate their dedicated involvement and the acclaim they receive is justly deserved. While we will not have the pleasure of hearing them in a Winter Season they will be involved in the Verdi Concert.

We look forward to better times in 1989 and the continued support of our members and the public in general.

Donald J. Potter  
*Chairman*

**SECTION I**

**REPORT & ACCOUNTS**  
to 30 September 1987

**DIRECTORS REPORT:**

The directors submit herewith their report together with the Audited Accounts for the Year Ended 30 September 1987.

1. The Accounts show a loss for the year of IR£49,064.
2. The accumulated deficit at 30 September 1987 is IR£45,420.
3. The directors expect that adequate continued support will be forthcoming. The operation of a system of strict budgetary control is in place.
4. The Auditors P. Noel Leonard & Co. have indicated their willingness to continue in office.

The Accounts were approved by the Board of Directors on 15th September 1988 and were signed on its behalf by

Barry Hodkinson - Director

Donald Potter - Director

**DUBLIN GRAND OPERA SOCIETY COMPANY**  
(A Company Limited by Guarantee and not having a Share Capital)

**SECTION II**

**Income and Expenditure Account Year to 30 September 1987**

1986			1987
IR£	Note	IR£	IR£
236,744	BOX OFFICE RECEIPTS:		187,811
	EXPENDITURE		
(155,079)	People Related Costs (Schedule 1)	(165,699)	
(155,811)	Production Related Costs (Schedulee 2)	(157,518)	
(70,113)	Administration Costs (Schedule 3)	(92,401)	
(381,003)		(415,618)	(415,618)
(144,259)	OPERATING DEFICIT:		(227,807)
-	EXCEPTIONAL ITEMS		(20,447)
154,734	OTHER INCOME: (Schedule 4)		199,190
10,475	Profit/(Loss) before Taxation		(49,064)
Nil	Taxation		Nil
10,475	PROFIT/(LOSS) AFTER TAXATION		(49,064)
(616)	Less: Incorporation Expenses		Nil
(6,215)	Payments in respect of "Old Society"		Nil
3,644	Balance for Year		(49,064)
Nil	Opening Balance on Reserves		3,644
	ACCUMULATED SURPLUS/ (DEFICIT) AT YEAR END		(45,420)

45420

The attached Notes, number 1-9, form part of these Accounts.

Barry Hodgkinson

Donald Potter

Directors

**DUBLIN GRAND OPERA SOCIETY COMPANY**  
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**SECTION III**

**Balance Sheet at 30 September 1987**

1986			1987	
IR£		Note	IR£	IR£
<u>20,914</u>	FIXED ASSETS	6		17,056
	CURRENT ASSETS			
249	Cash on Hand		14,167	
4,373	Debtors & Prepayments		28,474	
<u>21,000</u>	Arts Council Grants Due		<u>20,000</u>	
<u>25,622</u>			<u>62,641</u>	
	CURRENT LIABILITIES			
1,306	Bank Overdraft		—	
13,586	Creditors & Accruals		43,117	
28,000	Arts Council - Deferred Grant		70,000	
<u>—</u>	Arts Council - Loan	7	<u>12,000</u>	
<u>42,892</u>			<u>125,117</u>	
<u>(17,270)</u>	NET CURRENT LIABILITIES		<u>(62,476)</u>	<u>(62,476)</u>
<u>3,644</u>	TOTAL NET ASSETS/(LIABILITIES)			<u>(45,420)</u>
	REPRESENTED BY -			
	ACCUMULATED RESERVES/			
<u>3,644</u>	(DEFICIT)			<u>(45,420)</u>

The attached Notes, number 1-9 form part of these Accounts.

Barry Hodkinson

Donald Potter

Directors

**DUBLIN GRAND OPERA SOCIETY COMPANY**

(A Company Limited by Guarantee and not having a Share Capital)

**SECTION IV****Source and Application of Funds  
Year Ended 30 September 1987**

1986			1987	
IR£	Note	IR£	IR£	
				<b>SOURCE OF FUNDS</b>
10,475			(49,064)	Profit/(Loss) before Taxation
<u>4,919</u>			<u>5,041</u>	Adjust: Depreciation
				Total Absorbed by/Generated
15,394			(44,023)	from operations
				Funds from other Sources:
-			12,000	Arts Council Loan
				<b>APPLICATION OF FUNDS</b>
(6,215)		—		Payments in respect of "Old Society"
(616)		—		Incorporation expenses
<u>(25,833)</u>		<u>(1,183)</u>		Purchase of Fixed Assets
<u>(32,664)</u>		<u>(1,183)</u>	<u>(1,183)</u>	
<u>(17,270)</u>			<u>(33,206)</u>	
				<b>MOVEMENT IN NET CURRENT LIABILITIES</b>
				Current Assets:
4,373		24,101		Debtors & Prepaids
<u>21,000</u>		<u>(1,000)</u>		Arts Council
<u>25,373</u>		<u>23,101</u>	23,101	
				Current Liabilities:
(13,586)		(29,531)		Creditors & Accruals
<u>(28,000)</u>		<u>(42,000)</u>		Arts Council
<u>(41,586)</u>		<u>(71,531)</u>	(71,531)	
Nil		13,918		Liquid Funds: Cash at Bank
<u>(1,057)</u>		<u>1,306</u>	<u>15,224</u>	Overdraft
<u>(17,270)</u>			<u>(33,206)</u>	

The attached Notes, number 1-9 form part of these Accounts.



# **DUBLIN GRAND OPERA SOCIETY COMPANY**

(A Company Limited by Guarantee and not having a Share Capital)

## **SECTION V**

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### **Accounts Year to 30 September 1987**

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#### **Accounting Policies**

- (a) The attached Accounts are prepared under the historical cost convention.
- (b) Expenditure in respect of Costumes, Scenery, Sets and Props is written off fully in the year in which the expenditure is incurred notwithstanding that they may be retained for the enduring benefit of the company.
- (c) Costumes, Scenery, Sets and Props purchased from the Old Society at a cost of IR£24,307 are depreciated at 20% per annum on a straight line basis. The directors are satisfied that as at 30 September 1987, the company holds Scenery, Sets and Props to at least the value of IR£14,583 the Net Book Value.  
Office Furniture and Equipment is depreciated at 10% per annum on a straight line basis.
- (d) Payments in respect of the accumulated deficit of the "Old Society" are being written off against the reserves of the Company.
- (e) Grants receivable from the Arts Council in the calendar year are credited in the Accounts as follows:

The Arts Council agreed an allocation by way of a contribution to the total costs for each calendar year. The grant was allocated as to 50% in the Spring Season and 50% in the Winter Season.

**DUBLIN GRAND OPERA SOCIETY COMPANY**  
(A Company Limited by Guarantee and not having a Share Capital)

**SECTION VI**

**Notes to the Accounts Year to 30 September 1987**

**Note 1: Exceptional Items**

**A: Sets IR£15,335:**

During the year 1985/86 arrangements were made with Cork City Opera for an exchange of Sets. For the Spring 1986 Season the company enjoyed the use of a new 'Nabucco' Set from Cork City Opera. However, the Cork City Opera ceased to exist and in the year 1986/87 the company undertook to pay the suppliers of this 'Nabucco' Set notwithstanding that it was not contracted to do so. As part of the agreement the company also acquired a 'Madame Butterfly' Set.

In line with the company's accounting policy on Scenery, Sets and Props, this expenditure has been fully written off in the year.

The Arts Council extended an interest free loan of IR£12,000 to the company to partly fund this expenditure.

**B: Childrens Opera IR£5,112:**

During the year a loss of IR£5,112 was incurred on the Childrens Opera.

**Note 2: Profit/(Loss) Before Taxation**

Profit/(Loss) before taxation has been arrived at after charging:

1986 IR£		1987 IR£
Nil	Directors Emoluments	Nil
4,919	Depreciation	5,041
2,500	Auditors Remuneration	2,500
	and after crediting:	
67,200	Arts Council Grants (Note 5)	105,700

**Note 3: Taxation:**

As the company has been awarded charitable status it is exempt from taxation.

**Note 4: Old Society**

The Company is carrying on activities previously undertaken by the "Dublin Grand Opera Society". As at 30 September 1987 the "Old Society" has borrowings of approximately IR£61,000 with the Bank of Ireland in respect of which the Company has pledged its guarantee.

No payments in respect of the "Old Society" were made by the company during the year. A provision of IR£3,832 made in Year Ended 30 September 1986 for reducing the "Old Society's" borrowings was not fully paid and IR£3,432 of this is still outstanding at 30 September 1987.

**Note 5: Arts Council Grant**

The income figure of IR£105,700 is calculated as follows:-

<b>1986:</b>	Deferred portion of initial 1986 Grant for Winter 1986	<b>IR£28,000</b>
<b>1986:</b>	Additional Grants allocated for 1986 but credited fully in Year Ended 30 September 1987	<b>£5,200</b>
<b>1987:</b>	Allocation for Spring 1987	<b>72,500</b>
		<b>IR£105,700</b>

**Note 6: Fixed Assets**

	Costumes, Scenery Sets & Props	Office Furniture & Equipment	Total
<b>COST:</b>	<b>IR£</b>	<b>IR£</b>	<b>IR£</b>
As at 01.10.1986	24,307	1,526	25,833
Additions	—	1,183	1,183
As at 30.09.1987	<u>24,307</u>	<u>2,709</u>	<u>27,016</u>
<b>DEPRECIATION:</b>			
As at 01.10.1986	4,862	57	4,919
Depreciation for Year	<u>4,862</u>	<u>179</u>	<u>5,041</u>
As at 30.09.1987	<u>9,724</u>	236	<u>9,960</u>
<b>NET BOOK VALUE</b>			
30.09.1987	<u>14,583</u>	<u>2,473</u>	<u>17,056</u>
<b>NET BOOK VALUE</b>			
30.09.1986	<u>19,445</u>	<u>1,469</u>	<u>20,914</u>

**Note 7: Arts Council Loan**

During the year 1986/87 the company received an interest free loan from the Arts Council to partly fund the cost of the 'Nabucco Set' (See Note 1). This loan is repayable as follows:-

	<b>IR£</b>
Due before 30 September 1988	3,000
Due after 30 September 1988	<u>9,000</u>
Total	<u>12,000</u>

**Note 8: Capital**

The Company is limited by guarantee and does not have Share Capital. The liability of each member cannot exceed IR£1.

**Note 9: Cork Opera House**

The company's production at the Cork Opera House in May 1987 resulted in a small surplus as follows:-

	<b>IR£</b>
Gross Fee Contracted*	70,000
Less Costs	<u>(69,116)</u>
Surplus	<u>884</u>

\*Of the total fee of IR£70,000 contracted, a balance of IR£10,000 remains due to the company at 10 May 1988.



# **DUBLIN GRAND OPERA SOCIETY COMPANY**

(A Company Limited by Guarantee and not having a Share Capital)

## **SECTION VII**

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### **Auditors Report - Accounts Year to 30 September 1987**

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TO THE MEMBERS OF

DUBLIN GRAND OPERA SOCIETY CO.

(A Company Limited by Guarantee and not having a Share Capital)

We have audited the financial statements on Sections II to VI. Our audit was conducted in accordance with approved Auditing Standards and we have obtained all the information and explanations we considered necessary.

We draw attention to the guarantee pledged by the company to the Bank of Ireland in respect of approximately IR£61,000 due to the bank by the "Old Society" at 30 September 1987. This contingent liability is not reflected in the Balance Sheet in Section III.

The Balance Sheet in Section III reveals an excess of liabilities over assets but the financial statements have nevertheless been prepared on the Going Concern basis. If production costs continue to exceed budgets further losses will be incurred and the Going Concern basis of accounting may not be appropriate.

As mentioned in Note 9, IR£10,000 remains due to the company by the Cork Opera House. This amount is in dispute with the Cork Opera House.

In our opinion, proper books of account have been kept by the company and the financial statements, which are in agreement therewith have been prepared under the historical cost convention.

Subject to the company being able to continue trading and the possibility of a further loss arising on the settlement of the dispute with Cork Opera House, in our opinion the financial statements give a true and fair view of the state of the Company's affairs at 30 September 1987 and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1963 to 1983.

4 Lower Dundrum Road,  
Dublin 14.

P. NOEL LEONARD & CO.  
Certified Accountants

**DUBLIN GRAND OPERA SOCIETY COMPANY**  
(A Company Limited by Guarantee and not having a Share Capital)

**SECTION VIII**

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**Accounts Year to 30 September 1987**

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**SCHEDULE 1: PEOPLE RELATED COSTS:**

1986		1987
IR£		IR£
68,072	Artistes	62,075
32,464	Conductors, Producers/Designers & Repetiteurs	34,236
26,284	Orchestra	34,963
7,677	Production and Stage Managers	11,340
14,082	Travel-Artistes	11,250
6,500	Ballet	11,835
<u>155,079</u>		<u>165,699</u>

**SCHEDULE 2: PRODUCTION RELATED COSTS:**

1986		1987
IR£		IR£
64,984	Theatre Hire & Related Costs	71,673
5,230	Rehearsal Room Rent & Related Costs	4,523
24,384	Costumes	11,897
25,507	Scenery Sets & Props	30,772
4,221	Royalties & Music Hire	6,111
12,035	Freight & Storage	11,083
5,842	Entertainment & Gala Nights	3,378
10,778	Publicity & Promotion	15,384
2,830	Production Sundries	2,697
<u>155,811</u>		<u>157,518</u>

# SECTION IX

## SCHEDULE 3: ADMINISTRATION COSTS:

1986 IR£		1987 IR£
6,602	Postage & Telephone	8,341
8,243	Printing & Stationery	11,444
135	Bank Interest & Charges	535
3,700	Professional Fees	2,746
929	Insurance	490
2,942	Office Rent & Expenses	10,229
38,083	Salaries, Fees & Expenses	51,659
1,095	Travel	—
269	Sundries	938
4,919	Depreciation	5,041
3,196	Recruitment Expenses	978
<u>70,113</u>		<u>92,401</u>
<i>\$22,300 increase +32%</i>		

*+ 22,300 Total up*

*+26% - 39%*

*+347%*

## SCHEDULE 4: OTHER INCOME

1986 IR£		1987 IR£
67,200	Arts Council Grant	105,700
18,100	Subscriptions	17,947
5,054	Brochure Profits	4,904
3,000	Donation from Ladies Committee	8,500
57,220	Sponsors	61,255
4,160	William O'Kelly Memorial Concert Profit	—
—	Surplus Cork Opera House (Note 9)	884
<u>154,734</u>		<u>199,190</u>